

What is claimed is:

1. An asset based electronic cash system comprising:
 - at least one storage site having secure facilities for storage of a valuable commodity;
 - an inventory of a valuable commodity stored in said secure facilities at a said storage site;
 - a computer system having:
 - means for maintaining records of the amount of said inventory of a valuable commodity stored in said secure facility;
 - means for creating electronic coins, said electronic coins comprising electronic data identifying a unique serial number and a specified amount of said valuable commodity, and having a digital signature for verifying that the electronic coins were created by said computer system;
 - means for transmitting said electronic coins to a system user;
 - means for receiving said electronic coins from a payee of said system user;
 - means for confirming that said electronic coins have not been previously spent;
 - the total of the amounts of said electronic coins issued by said computer system being less than or equal to the amount of said inventory of a valuable commodity stored in said secure facility;
- said asset based electronic cash system permitting entities to conduct financial transactions by transfer of said electronic coins, whereby payment risk is eliminated.

2. A system in accordance with claim 1 where said valuable commodity comprises a precious metal.

3. A system in accordance with claim 2 wherein said precious metal comprises gold.

4. A system in accordance with claims 1 wherein said electronic data of said electronic coins further comprise:

a name of said storage site where said valuable commodity is stored;

5 a date, wherein said date represents the date when said electronic coin was created.

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5. A system in accordance with claim 4 wherein said system user may request issuance of blinded electronic coins such that a user who receives said electronic coins maintains his anonymity.

6. A system in accordance with claims 1, 2, 3, 4 or 5 wherein said confirming means comprises a database of said serial numbers of said electronic coins wherein a recipient of a first electronic coin may submit said first electronic coin to said computer system to determine if said first electronic coin has been
5 previously spent.

7. A system in accordance with claim 6 wherein said computer system checks said database of said serial numbers to ensure that said first electronic coin has not been previously spent, and if said first electronic coin has not been previously spent then said computer system records said first electronic coin as

5 spent, and creates a second electronic coin and transmits said second electronic coin to said recipient.

8. A system in accordance with claim 7 wherein said computer system subtracts an amount representing transactional costs from a specified amount of said valuable commodity identified in said first electronic coin to determine a specified amount of said valuable commodity identified in said second electronic coin.

9. A system in accordance with claim 8 wherein said transactional costs include a storage fee, and wherein said storage fee is determined based on a period of time since the date when said electronic coin was created, said date when said electronic coin was created being contained in said electronic data contained in said electronic coin.

10. A system in accordance with claim 8 wherein said transactional costs include a fee for performing said confirming that said electronic coin has not been previously spent.

11. A system in accordance with claim 6 wherein said recipient of a first electronic coin may request that said electronic coin be redeemed for one or more of the group consisting of a second electronic coin; a credit to an account of the recipient; and issuance of a funds transfer to an account of a third party.

12. An electronic coin comprising computer data identifying the following informational fields:

a unique serial number;

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an amount of a valuable commodity that said electronic coin represents;
5 a name of a storage site where said commodity is stored;
a date wherein said date represents when said electronic coin was created;
a Digital Hallmark™ for verifying the authenticity of said electronic coin.

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13. An electronic coin in accordance with claim 11 wherein said computer data are digital data.

10 14. An electronic coin in accordance with claim 11 wherein said commodity comprises a precious metal.

15. An electronic coin in accordance with claim 13 wherein said precious metal comprises gold.